

INFORMATION LETTER

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GOVERNMENT PURCHASES DISCUSSED

Douglas MacKeachie Describes Work of Division of Purchases in O.P.M.

The set-up of the Division of Purchases of the Office of Production Management, what that division is doing, and how it will affect the food industries and trades were described in a recent address by Douglas C. MacKeachie, Assistant to the Director of the Division of Purchases, before the New England Wholesale Food Distributors Association. Because canners will find in this address not only a statement of the policies of the Division of Purchases but also a clear-cut discussion of the manner in which these policies are being worked out, and their application to manufacturers and distributors, the address is reproduced in full in the INFORMATION LETTER.

You have asked me to describe the work of the Division of Purchases of the Office of Production Management. I assume that you are not especially interested in the technical details about the way this organization is set up and organized; you want to know what we are doing, how it will affect you, and how as patriotic Americans you can play your part in this great national emergency.

Your Government has taken on a colossal job. The relatively minor portion of it which we are going to discuss tonight is in itself of tremendous proportions. For our "minor portion" involves the feeding of the largest peace-time army in the nation's history. And possibly by describing this to you in detail, I can give you a rough over-all picture of the whole effort, so that you can not only see the part which the food industry has to play in this great drama but can get a fairly clear idea of the main outlines of the major program itself.

First, however, let me briefly sketch the set-up under which our defense program is being conducted.

Last summer the President named seven defense commissioners, to form a central coordinating agency for the defense effort. In a little more than six months these commissioners laid the foundation. The Commission which they composed—known as the National Defense Advisory Commission—cleared more than ten billion dollars in contracts. It set up the machinery and started the ball rolling in getting materials to our factories. It kept a constant check on both consumer and industrial prices. It surveyed transportation facilities, compiled a complete list of skilled and unskilled labor, established new purchasing policies and spread orders throughout industry.

New Defense Set-up

On January 7 of this year the effort moved into its second phase when the President created the new defense set-up—the Office of Production Management, with William S. Knudsen as Director General, Sidney Hillman as Associate Director General, and Secretary of War Stimson and Secretary of the Navy Knox as members. To this Office was given power to devise and execute all measures needful to accelerate the production and supply of needed materials, to plan the expansion of the necessary plant and facilities, and to coordinate the entire defense effort into one smoothly working program. The Office of Production Management, in short, has undertaken to determine precisely what are the defense needs of

all Government departments and agencies and to see that these needs are met promptly.

Under the Office of Production Management there are three main subdivisions: the Division of Priorities, the Division of Production and the Division of Purchases. These divisions do about what their names would imply. The Production Division, for instance, sees to it that goods are produced in needed volume, and that the facilities necessary to produce them are made available. The Priorities Division is concerned with directing the flow of essential materials. If, for example, there simply is not in the country enough of some given commodity to meet all the demands being made by the Army, the Navy, private industry and foreign purchasers, this division must determine where the need is greatest and how the available supply should be apportioned.

Division of Purchases

The Division of Purchases is the one with which I am connected, and with whose job we are going to be primarily concerned tonight. It does not do any of the actual buying; that remains, as in the past, a function of the Army and the Navy, and very properly so. What this division does is advise and help our service chiefs in the execution of one of the

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BRIEFS ON DIETARY FOODS FILED

Attorney for Food and Drug Administration Suggests Minor Changes in Regulations

Suggestions for minor changes in the proposed food and drug regulations regarding statements for dietary foods and refusal to exempt any products, except iodized salt, from label statement of "minimum daily requirements" are recommended in the brief filed this week by the Food and Drug Administration's attorney, Patton Perritt, at the recent special dietary hearings. Milk and evaporated milk were exempted from the label requirements in the original proposal.

Mr. Perritt classified the testimony presented at the hearings by representatives of industries other than salt and milk as "negative" attacks with the purpose of exempting or excepting specific products from the regulations. Briefs were also filed by a number of industries. The brief of the government attorney does not necessarily comprise the views of the presiding officer, but does represent the views of the food and drug administration.

The brief suggested that a minimum daily requirement be considered a quantity sufficient to "prevent a dietary deficiency in normal persons under normal conditions," rather than a minimum for maintenance as originally proposed.

The suggestion by one of the witnesses that the proportion of the minimum daily requirement present in a specified quantity of food should be related to a specified quantity represented by the normal daily intake of the particular food was agreed to by Mr. Perritt. He stated that this proposal has merit and that the provision should be revamped to conform to this suggestion.

In view of testimony presented, Mr. Perritt suggested that the requirements for vitamin B₁ should be in terms of weight rather than U. S. P. units, and the amounts should be as follows:

Infants—250 micrograms
Children more than 1—but less than 6 years—500 micrograms
Children 6 or more but less than 12 years—750 micrograms
Persons 12 or more years old—1 milligram

The daily requirement for vitamin C should be raised to 30 milligrams for adults and the daily calcium and phosphorus requirement for pregnant and lactating women should be 1.5 grams instead of 1.0 grams.

The recommendation that iodized salt be exempted was made by Mr. Perritt because there are six times the minimum daily requirement of iodine in the daily intake of such salt, and for this reason a statement to this effect on the label might create fear in consumers' minds.

In accordance with the original proposal, Mr. Perritt agreed that milk and evaporated milk should be exempted from the statement on the labels as to the proportion of the minimum daily requirement for vitamin D that these products furnish.

In conclusion the attorney's brief stated:

"Consequently, it appears clearly from the record that any food may be sold as such; that is to say, for its use in the general dietary in the customary and usual manner without representations that it has special dietary use and these regulations would then have no applicability thereto. On the other hand, the public need for information with respect to the special dietary value of any given food appears to be as urgent as for any other food. The problem of making the determinations upon the basis of which statements are required by the proposed regulations is no greater than the problem of making the determinations upon the basis of which representations for special dietary use are made. Therefore, no exemption of any product, as such, other than iodized salt when the special use for which it is represented is based upon its iodine content, should be granted."

Lacquer to Reduce Rust Damage to Canned Fish

The findings of a research committee set up by the Association of Marine Underwriters of British Columbia, show that the severity of rust damage to canned fish is reduced by the use of completely lacquered cans or cans with enameled ends, according to the *Fishery Market News*. However, practical experience indicates clearly that after a cargo of canned commodities is exposed to condensation, the reconditioning problem is not alleviated to the extent indicated by the reduction in rust severity.

It is pointed out that the basic problem of the elimination of condensation during seasonal periods still remains; nevertheless, until such time as better methods of condensation control are devised, it is considered that the use of efficient lacquer on canned foods that may be exposed to condensation will result in a measure of food conservation.

Six cases of canned foods, consisting of two cases each of plain cans, enameled ends, and completely lacquered cans, which were subjected to a very severe moisture exposure in an air-tight chamber in the Vancouver laboratory for a period of approximately three months, showed that the lacquering or enameling not only helped to conserve the appearance of the can but also aided in the preservation of its contents.

GOVERNMENT PURCHASES DISCUSSED

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greatest buying programs of all time. And an examination of the way this job is done in connection with the procurement of food will, I think, give you a pretty good idea of the kind of help which this division is able to render. Its policies may be summarized as follows:

1. To assist and advise the services in obtaining needed supplies at the times and in the quantities required.
2. To assist them in obtaining these supplies at fair prices.
3. So to plan and time this procurement that it has the least impact on the civilian economy, always having in mind the post-emergency adjustment.
4. To plan distribution of orders for the maximum re-employment of labor.

Until comparatively recently the United States Army's food buying problem was very simple. An army of no more than 150,000 men, split up into a great number of small units, bought its food in small quantities on an over-the-counter basis. The camp quartermaster went to the market personally to do his own buying. The amounts he bought varied little from month to month. The nation's ordinary peace-time distribution facilities could handle his requirements without the least disturbance. What the Army quartermaster bought—the 130-odd Army quartermasters, scattered all over the country—had negligible effect on food movements, food prices or food-marketing and distributing arrangements.

Almost overnight this picture has become profoundly different. Within a very short time the Army will be buying food for a million and a half men, spending approximately \$750,000 a day in the process, to which must be added the expanded requirements of the Navy, the Marine Corps, and the Civilian Conservation Corps. Food orders that used to represent less-than-carload shipments will call for the shipment of many solid carloads. Some of the camps will require daily as much food as a small city. The Army as a whole will be just about the largest single buyer of foodstuffs in America.

Obviously, such an expansion demands a comparable revision in the Army's method of buying its foodstuffs. You do not need to reflect very long to see why these changes are necessary.

First, I would like to remind you that the plan which I will describe is not a new plan. After a considerable period of trial and error its basic principles were put into effect during the World War, and the plan commonly known as the M-day plan, which was constructed from our experience in the World War, calls for the general application of the principles which I will outline to you.

Effect on Civilian Markets

Foremost is the change made necessary by the possible effect of this great buying program on civilian food markets. Doubtless many of you can remember the nation's experiences in the last war, when prices on staple foodstuffs doubled and even tripled. No one seemed especially worried about it at the time—except, of course, the consumer and business men who got caught in the middle—and the whole business of skyrocketing prices and food shortages was regarded as an inevitable outgrowth of the war. But all of that could have been avoided. It is going to be avoided this time. But if it is to be avoided, we must have the cooperation of the merchants of America—cooperation which, I am happy to say, has already been given loyally and in abundant measure.

Now it is perfectly clear that an army of one and one-half million men, or two million men, cannot buy its food on the same basis used by an army of 100,000. To do so would be to

disrupt all food markets, utterly over-tax local distributors and handlers and invite not merely shortages and price increases but actual stoppages and shortages in the delivery of foodstuffs to the camps.

Under the expanded procurement program, Army food purchases will be broken into two classifications—perishables and non-perishables. Each will be handled differently.

Purchase of Perishables

For the purchase of perishables there will be set up zone purchasing offices, strategically located throughout the country with regard to adequate markets and centers of troop population. You can, I am sure, understand why it is necessary to establish these zone offices in place of letting each camp buy separately and independently its own perishables. Army camps are rarely located near adequate sources of supply. Local marketing facilities have been seriously over-taxed; where two or more camps shared one marketing area, there has been competitive bidding with resultant price increases not only to the Army but to the civilian population. In addition, temporary and artificial shortages have been caused by the placing of heavy volume orders. I may say that in recent months a number of instances of this kind actually did develop. Consumers complained bitterly, and rightly so. Perishables which were actually in surplus did not find their way in proper quantities to the mess tables of the troops, and producers did not receive full benefits of the additional outlets. Such conditions can and must be avoided.

Buying of Non-perishables

The buying of non-perishables will be centralized at three different points—New York, Chicago and San Francisco. The New York office will buy sugar, coffee, tea, spices and other manufactured items. In Chicago will be bought canned vegetables, canned meats, cereal, flour and similar items produced on a nation-wide basis. The San Francisco office will buy canned and dried fruits, salmon and so on.

Competitive bidding is the keystone of the program. Inspection will be provided at the source, wherever practicable, rather than at the delivery point. This is to the advantage both of the Government and the supplier, since it eliminates costly rejections and insures the Army of an adequate and uninterrupted flow of goods of proper quality. Contract requirements are being simplified for the benefit of the bidders. Specifications are being revised to meet ordinary commercial practices and standards, and a wider latitude on sizes will be given in invitations to bid. This will benefit the Government by providing a wider market and lessening the chances of speculation or shortages. It will give everyone a chance to bid, instead of restricting the bidding to concerns which specialize in the narrow lines formerly called for. Invitations will call for a delivered basis to the camps throughout the country, making it possible for a vendor to bid on any or all the quantities called for, depending on his location, thus widening the market.

No Place for Speculation

Before I go any further I must make one point which doubtless has occurred to you already. There is no room in this program for speculation. The activities of bid brokers and speculators in the past have seriously affected the supply and price of various items of food. In one instance, for example, the options outstanding in the hands of speculators covered four times the quantity called for in the Government contract—with the natural result that more than 50 per cent of the goods were sold at an advance of 100 per cent above the market price which prevailed at the time the invitation to bid was issued.

This, of course, is no reflection on the legitimate dealer who bids on goods he actually owns. I am talking now about the

man who tries to profiteer at the expense of the Government. To carry on a sound procurement program we must adhere strictly to both the letter and the spirit of the public contracts law, which permits only manufacturers and regular dealers to bid on contracts. The practice of bidding on goods which the dealer does not own is a speculative evil which is bound to be harmful and which will not be tolerated.

Wholesalers' Part in Program

As wholesale distributors, you are interested in knowing what share of the Army's food purchases you may expect to have. The only answer I can give is that this program—which sticks to the principles of open competitive bidding, seeks to maintain a free market and strives to make the least impact possible on civilian buying—does not take away from anyone the ability to sell food to the Government. It widens the market instead of narrowing it. If a concern is able to perform the services and furnish the goods in the quantities desired, on a competitive price basis, its chance for business is as good as anyone's. Any man performing a regular and legitimate function in the field of distribution may continue to play that part.

I would be less than frank with you if I did not state that on a number of staple items the quantities involved will be too large for the ordinary wholesaler to handle economically. For instance, to give each man in one camp a banana for breakfast, five carloads of bananas are required—and this particular camp may be many miles from the nearest banana market. On these items, direct buying is necessary. This is inevitable, it is in the interest of national defense, and I am sure that it will be accepted patriotically by everyone. I know that you are first and foremost patriotic Americans and sound business men. You do not want something for nothing and you do not expect pay for services which you cannot perform. Where you can and do perform a needed function, you are entitled to your share, and I believe you will agree that the simplification of the act of purchasing will make it easier for you to handle that share.

Let me, at this point, repeat a statement made to the National American Wholesale Grocers Association in Chicago. There have been some reports in the trade press to the effect that in the last war the Government bought all of its food through wholesalers, and that naturally it ought to do the same thing in the present emergency. These stories simply are not true—and I say that without casting any reflections on the legitimate function of the wholesaler in distribution. The record shows that the Government in the last war bought staple items which it needed in large quantities directly from the manufacturer, and that in some instances it even commandeered a certain proportion of each producer's output for direct distribution to the Army. As a matter of fact, over a number of years various important items which the services required in volume have been purchased under the plan I have described—flour, canned meats, coffee, and so forth. It is, therefore, a logical development of the regular procurement plan that as the needs for other items reach a similar volume the method of purchasing must be revised.

An important point to bear in mind is this: that while the Army will buy vast quantities of food throughout the emergency period, there is no indication that there will be any substantial lessening of normal civilian demand. For while the Army will be buying for a great many young men whose food heretofore has been sold in regular commercial markets, present trends indicate that this shift away from home consumption will be largely counterbalanced by an increase in civilian consumption. This increase, of course, will be caused by defense spending and the increase in prosperity and general purchasing power which will accompany it. Thus food distributors should not experience any noticeable lessening in consumer demand.

This program, of course, was not worked out in a vacuum. It is the product of a meeting of many minds—the best minds we were able to enlist, from the military services, the Government and private business. Just as you have wanted to know what the program is and how it will operate, so do you doubtless want to know how it was put together and what basic principles were laid down when it was formulated.

Underlying Set-up

First, let me make clear the underlying set-up for all of this work. The real job is being done by Colonel Paul Logan, Chief of Subsistence of the Quartermaster Corps, U. S. Army. Colonel Logan is probably the Quartermaster Corps' top expert on food procurement. He attended the Corps subsistence school at its Chicago Depot, serving later as an instructor there, studied in the Army Industrial College here in Washington, remained as an instructor there, and while in that position worked with the Quartermaster General's office on the Army's war plans for subsistence. He is the man who, under the direction of the Quartermaster General, is actually developing the plan we are now working under; and it is, of course, the Army that actually lets the contracts and does the buying all the way through.

The Division of Purchases of the Office of Production Management gives Colonel Logan such advice and assistance as it can, under the direction of Mr. Donald Nelson. To help us, in turn, we have secured the best men to be found with actual purchasing experience—the underlying idea, of course, being to make available to the Army the very finest skills which private business has developed in the whole field of purchasing foodstuffs.

Last fall our Division of Purchases set up a Food Procurement Advisory Committee. It consists of:

Hector Lazo, Co-operative Food Distributors of America, Chairman.
John A. Logan, National Association of Food Chains, Secretary.
Oliver Stout, Co-operative Food Distributors of America.
R. H. Rowe, U. S. Wholesale Grocers Association.
A. G. McCune, U. S. Wholesale Grocers Association.
Tyre Taylor, National Association of Retail Grocers.
Robert Wilson, National Association of Retail Grocers.
M. L. Toulme, National American Wholesale Grocers.
William B. Mackey, National American Wholesale Grocers.
Ralph C. Samsel, official representative of the fresh fruit and vegetable industry.

I recite all of these names because these men came from your field. They know your problems. And it was through meetings with them, in Washington, in conjunction with our Purchasing Division and the Quartermaster Corps, that the basic procurement policies for the Army were worked out. That is to say, it was agreed that the whole procurement program would be based on continuance of competitive bidding and the open market, that prevention of any disruption of normal commercial markets and civilian food supplies must be paramount, and that centralized procurement would be necessary to prevent competition between Government buyers.

Special Subcommittees Named

In cooperation with the representatives of the various food trades, we are setting up special subcommittees to the Food Procurement Advisory Committee. Among those which have already been formed are committees for bread, poultry, eggs, butter and cheese, for fresh fruits and vegetables, and for canning. Representatives of the Agriculture, Consumers and Price Stabilization Divisions of the Defense Commission attend all meetings and advise how proposed plans are affected by the functions of their divisions. Through the Advisory Committee, we plan to issue as the necessity arises a series of information releases to the trade press on Army

procurement requirements, and summary reports of successful bids and prices on foods.

I have dwelt at some length on our common problem because it is the point that is of the greatest immediate interest to you and the one on which I myself am best informed. But I think it is extremely important to bear in mind always that this involved program which I have been describing to you is but a part of a far greater whole. We are making our country into a vast arsenal for democracy, and all that I have described here tonight is simply the commissary arrangements which we have made to supply our own soldiers who are to stand guard while this arsenal swings into operation.

Greatest Production Program of All Time

Getting this arsenal into operation is a task whose tempo is forever accelerating. Mr. Knudsen has rightly termed the problem facing OPM as "the greatest production problem of all time." Let me point out that whereas a year ago men were talking about getting so many airplanes, so many tanks, so many guns built in the course of a year, now they are not talking that way at all. They simply say that they want *all* the planes, *all* the tanks and *all* the other war essentials that our entire national productive plant can possibly produce. The sky, in other words, has become the limit.

We shall attain that limit, because our nation is a nation to which nothing is impossible, once the requisite energy and determination is hard at work. It needs only the kind of response that a devoted and intelligent democracy can supply. Such a response is forthcoming in abundant measure. In the days and months to come, I am sure that the courage and patriotism of all of our citizens will meet every demand that may be made and will furnish a unity and a strength which will make democracy forever unconquerable.

1940 Retail Sales Increase \$3,500,000,000

Retail sales in the United States increased \$3,476,000,000 during the calendar year 1940 to a total of \$45,500,000,000, according to estimates of the Bureau of Foreign and Domestic Commerce. Food stores, which account for almost one-fourth of the Nation's retail business, showed an increase of 4.5 per cent in 1940, with chain stores experiencing considerably more improvement than independents.

Sales of the food group amounted to \$10,609,000,000 in 1940, as compared with \$10,152,000,000 in 1939.

Consumers' purchases from retail merchants were about 8 per cent larger than the 1939 total of \$42,024,000,000 reported in the 1939 Census of Retail Trade. Retail prices averaged only a little higher in 1940 than in 1939, therefore the increase in the dollar total for all retail sales reflected a comparable rise in the quantity of goods sold at retail last year.

The estimated dollar sales in 1940 were only 6 per cent below the 1929 figure, the highest on record.

New Chief for Foreign-Domestic Commerce Bureau

The nomination of Carroll L. Wilson, of Waban, Mass., to be chief of the Bureau of Foreign and Domestic Commerce has been sent to the Senate by President Roosevelt. Mr. Wilson will succeed James Young, whose resignation became effective January 31. Mr. Wilson had served as assistant to Mr. Young for the past year.

CURRENT CANNED FOOD INDICATORS

Foodstuffs Division Assembles Data on Movement of Major Canned Foods

Beginning in March, 1940, the Foodstuffs Division of the Bureau of Foreign and Domestic Commerce has issued monthly reports on stocks and movements of canned foods, embodying statistics compiled by the government, the National Canners Association, and other agencies. The National Canners Association has for some time furnished the Foodstuffs Division statistics on the pack, stocks, and shipments of canned vegetables for use in its quarterly survey and other reports.

The following figures are from the February report issued by the Foodstuffs Division. A considerable part of the information has previously been published in the INFORMATION LETTER, but in this report data on the various items are brought together in convenient summary form for reference and study.

The following table, containing current canned food indicators, was compiled by the Foodstuffs Division of the Bureau of Foreign and Domestic Commerce:

	Current period Cases	Same period year ago Cases	Change from year ago Per cent
CANNED FRUITS			
Total Canned Fruits:			
U. S. exports—December.....	38,200	365,100	- 90
U. S. exports to England—December....	none	289,300	.....
U. S. exports—June 1-December 31....	399,000	5,488,300	- 93
U. S. exports to England—June 1-December 31.....	152,900	4,785,700	- 97
U. S. imports—December.....	156,800	86,100	+ 82
U. S. imports—June 1-December 31....	1,768,600	1,263,900	+ 40
Mandarin Oranges:			
U. S. imports from Japan—December....	41,500	10,200	+307
U. S. imports from Japan—June 1-December 31.....	210,600	46,400	+354
Peaches:			
California canners' stocks—January 1..	5,304,091	6,440,848	- 18
Representative U. S. distributors' stocks Jan. 1 st	731,294	736,642	- 1
Pears:			
Representative U. S. canners' stocks—January 1 st	2,132,654	1,104,639	+ 93
Representative U. S. distributors' stocks Jan. 1 st	281,060	270,082	+ 4
Pineapple:			
U. S. imports:			
Total dutiable—December.....	115,300	75,900	+ 52
From Philippine Islands, free—Dec....	none	none	.....
Total dutiable—May 1-December 31..	722,600	548,600	+ 32
From Philippine Islands, free—May 1-Dec. 31.....	953,800	892,000	+ 7
Exports from British Malaya:			
December 1-December 28.....	209,059	123,722	+ 69
April 20-December 28.....	959,289	1,828,252	- 48
Pitted Red Cherries:			
Packers' shipments—December.....	124,144	86,982	+ 43
Packers' shipments—July 1-Dec. 31....	2,164,515	2,519,221	- 14
Packers' stocks—January 1.....	1,320,448	716,037	+ 84
CANNED FRUIT JUICES:			
Total:			
U. S. exports—December.....	185,100	24,500	+656
U. S. exports—June 1-December 31....	641,000	633,500	+ 1
Grapefruit Juices:			
U. S. exports—December.....	117,700	10,200	.....
U. S. exports—June 1-December 31....	236,800	341,600	- 31
Orange Juices:			
U. S. exports—December.....	15,000	2,200	+582
U. S. exports—June 1-December 31....	78,400	77,200	+ 2
Pineapple Juices:			
U. S. exports—December.....	33,400	5,900	+466
U. S. exports—June 1-December 31....	176,100	137,200	+ 28
Other Juices:			
U. S. exports—December.....	19,000	6,200	+206
U. S. exports—June 1-December 31....	149,700	77,500	+ 93

CANNED VEGETABLES

Total Canned Vegetables, Soups, and Juices:

	Current period Cases	Same period year ago Cases	Change from year ago Per cent
U. S. imports—December.....	5,200	185,600	- 97
U. S. imports—July 1-December 31....	63,600	800,700	- 92
U. S. exports—December.....	89,300	270,400	- 67
U. S. exports to England—December....	none	211,100	.....
U. S. exports—July 1-December 31....	630,000	1,183,400	- 47
U. S. exports to England—July 1-December 31.....	34,500	580,800	- 94
Asparagus—California Only:			
Packers' shipments—March 1-Dec. 31..	1,553,728	1,752,648	- 11
Packers' stocks—January 1.....	801,156	546,932	+ 46
Green and Wax Beans:			
Packers' shipments—December.....	724,736	(9)	.....
Packers' shipments—July 1-Dec. 31....	6,059,030	5,578,243	+ 9
Packers' stocks—January 1.....	3,899,198	4,492,091	- 13
Representative distributors' stocks—Jan. 1 st	609,112	599,943	+ 2
Peas:			
Packers' shipments—December.....	1,498,786	1,068,098	+ 40
Packers' shipments—June 1-Dec. 31....	16,410,423	13,446,209	+ 22
Packers' stocks—January 1.....	11,596,224	10,306,387	+ 13
Representative distributors' stocks—Jan. 1 st	1,133,463	1,174,332	- 4
Pumpkin and Squash:			
U. S. Pack—1940.....	2,298,378	2,292,134	.....
Splnachs:			
California only:			
Packers' shipments—March 1-December 31.....	1,283,777	1,345,408	- 5
Packers' stocks—January 1.....	197,238	434,350	- 55
Sweet Corn:			
Packers' shipments—December.....	1,433,464	1,581,718	- 9
Packers' shipments—Aug. 1-Dec. 31....	9,291,953	10,198,554	- 9
Packers' stocks—January 1.....	9,965,513	12,446,175	- 21
Representative distributors' stocks—Jan. 1 st	1,206,332	1,258,876	- 4
Tomatoes:			
Packers' carryover—July 1, 1940.....	2,983,023	3,571,262	- 17
U. S. pack—1940.....	25,231,877	21,009,401	+ 20
Total domestic supply available for 1940-41 season.....	28,214,900	24,580,663	+ 15
Packers' shipments—December.....	1,332,929	1,007,853	+ 32
Packers' shipments—July 1-Dec. 31....	14,943,830	13,020,966	+ 15
Packers' stocks—January 1.....	13,271,070	11,559,697	+ 15
Representative distributors' stocks—Jan. 1 st	1,085,970	1,027,037	+ 6
U. S. imports from Italy—December....	4,200	161,300	- 97
U. S. imports from Italy—July 1-Dec. 31	52,300	702,000	- 93
Tomato Paste, Pulp, and Puree:			
U. S. pack—1940 (pulp only).....	2,104,898	2,106,659	.....
U. S. imports from Italy—December....	100	19,700	.....
U. S. imports from Italy—July 1-Dec. 31	6,200	75,500	- 92
Tomato Products—California Only:			
Packers' carryover—June 1, 1940.....	1,340,877	1,045,637	- 19
Pack—1940.....	6,513,644	4,312,065	+ 51
Total supply available for 1940-41 season.....	7,854,521	5,057,702	+ 32
Packers' shipments—June 1-Dec. 31....	3,535,958	2,796,953	+ 26
Packers' stocks—January 1.....	4,318,563	3,160,749	+ 37
CANNED FISH			
Total Canned Fish and Jellyfish:			
U. S. exports—December.....	270,100	192,600	+ 40
U. S. exports—July 1-December 31....	1,394,400	1,308,900	+ 13
U. S. imports—December.....	30,600	63,500	- 52
U. S. imports—July 1-December 31....	250,800	566,700	- 56
Mackerel:			
California pack—December.....	153,065	230,468	- 34
California pack—Jan. 1-Dec. 31.....	1,401,120	1,015,126	+ 38
Salmon:			
Packers' unsold stocks—December 31:			
Total.....	956,885	2,140,931	- 55
Alaska Reds.....	225,532	1,365,976	- 84
Pinks.....	373,299	445,687	- 16
Coho's, Silvers, Med. Reds.....	173,269	93,886	+ 85
Representative distributors' stocks—Jan. 1 st			
Total.....	337,492	391,550	- 14
Reds.....	110,009	142,497	- 23
Pinks.....	155,310	171,775	- 10
Other.....	72,173	77,278	- 7

CANNED FISH (Continued)

	Current period Cases	Same period year ago Cases	Change from year ago Per cent
Salmon (Continued):			
U. S. exports—December.....	52,500	52,700	.....
U. S. exports to England—December....	47,400	40,500	+ 17
U. S. exports—July 1–December 31.....	727,800	433,900	+ 68
U. S. exports to England—July 1–December 31.....	680,200	353,700	+ 95
Sardines:			
California pack—December.....	678,654	808,480	- 16
California pack—Aug. 1–Dec. 31.....	2,073,999	2,098,185	- 1
Representative distributors' stocks— Jan. 1: ¹			
Total.....	145,689	190,166	- 23
California sardines.....	81,290	72,240	+ 13
Maine sardines.....	47,851	69,391	- 31
Imported sardines.....	16,548	48,535	- 66
U. S. exports—December.....	197,900	128,900	+ 54
U. S. exports to England—December.....	114,400	39,000	+193
U. S. exports—August 1–December 31...	463,800	622,500	- 26
U. S. exports to England—August 1–December 31.....	228,500	165,900	+ 38
U. S. imports: ²			
Canned sardines in oil:			
December.....	7,500	17,300	- 57
August 1–December 31.....	54,935	188,799	- 71
Canned herring, smoked or kippered or in tomato sauce (in cans of more than 1 lb. gross weight):			
December.....	400	900	- 56
August 1–December 31.....	3,200	5,600	- 43
Canned sardines and other herring, not in oil: ³			
December.....	1,300	5,700	- 77
August 1–December 31.....	8,400	58,300	- 86
Shrimp:			
Pack—December.....	64,535	68,945	- 6
Pack—July 1–January 4.....	835,079	1,052,079	- 21
U. S. exports—December.....	21,600	13,800	+ 57
U. S. exports—July 1–December 31.....	74,300	179,200	- 59
Tuna:			
California pack—December.....	250,717	186,378	+ 35
California pack—Jan. 1–Dec. 31.....	3,868,276	3,277,471	+ 18
Representative distributors' stocks— Jan. 1: ¹			
Total.....	130,542	157,581	- 17
U. S. imports—December.....	21,400	24,600	- 13
U. S. imports—Jan. 1–Dec. 31.....	319,800	422,000	- 24

¹ Not total stocks. A sample based on reports from the same firms for both years.

² Does not include shipments to United States mainland from Hawaii and Puerto Rico.

³ Total converted from gallons to canned basis, although an indeterminate but relatively small quantity of juice exported in barrels may be included.

⁴ Not available.

⁵ U. S. published statistics show imports of certain fish products and tomato paste in gross weight—i. e., including weight of immediate container (can). The above figures are based on net weight, estimated at 43 per cent less than gross canned weight for sardines in oil, 8 per cent less for anchovies, 31 per cent less for "sardines and other herring," 65 per cent less for crabmeat, and 34 per cent less for tomato paste, by the United States Tariff Commission.

⁶ Does not include tomatoes or tomato paste.

⁷ Includes an indeterminate amount of other types.

Are You Contemplating a Trip to Washington?

If so you may wish to take advantage of the new service established in the Department of Commerce to simplify and expedite contact between businessmen and government officials. The purpose of this service is to put the visitor in direct touch with the appropriate government official, thereby saving the time of both. The service is in charge of men from the Bureau of Foreign and Domestic Commerce and others with long government experience.

Quarters for the Service and Information Office have been established just off the main lobby in Room 1060 of the Department of Commerce Building, Washington, D. C., or call District 2200, Extension 576.

STATE FOOD AND DRUG BILLS

Majority of Proposals Patterned After Federal Act—Few Clarify Legislative Intent

Since the first of the year, food and drug bills have been introduced into eight State legislatures and in one State, Tennessee, a bill has been enacted. For the most part these bills are patterned along the lines of the Federal Food, Drug, and Cosmetic Act and are designed to bring the present State laws more nearly into conformance with the Federal Act. However, almost without exception, these bills fail to contain adequate statements of legislative intent to enact laws that are uniform in administration and enforcement with the Federal Act.

Another difficulty commonly noted in these bills is found in the guaranty clause provisions. These provisions are often limited to transactions within the State instead of being drafted to protect interstate transactions as well. It is also found that a number of these bills fail to provide for a limit on the time in which embargoed or seized commodities may be held without action by State enforcement officers.

The Tennessee bill contained a registration and license fee provision that was stricken out before its final passage. The States in which bills are now pending include Colorado, Georgia, Massachusetts (two bills), Montana, Ohio, Oregon, Utah, and Washington. The subject of uniform food and drug legislation is also under consideration in Illinois and Michigan, but to date no bills have been introduced.

The Association still has available a number of copies of its bulletin "Proposed State Food and Drug Legislation". This bulletin contains sections discussing provisions in proposed bills relating to definitions and standards for foods; registration of trade-mark or brand names; relation of State laws to Federal law and legislative intent; enforcement, penal provisions and guarantees; shipment of unlabeled foods; and other provisions of bills that may contain objectionable features.

Bulletin on Enforcement of Weight Standards

The Consumer Division of the National Defense Advisory Commission has opened a program to protect consumers from the use of short weights and measures by issuing a bulletin entitled "Check your Weights and Measures." The bulletin is being distributed to State and Local Defense Councils and to civic and consumer organizations. A summary of a model State law on weights and measures, prepared by the National Conference on Weights and Measures, is included in the bulletin.

Jesse W. Tapp Serves as Defense Consultant

Jesse W. Tapp, vice president of the Bank of America and formerly assistant administrator of the Agricultural Adjustment Administration in charge of marketing agreements, as well as president and director of the Federal Surplus Commodities Corporation, is serving as consultant on food supply problems with the Agricultural Division of the National Defense Commission. Chester C. Davis, formerly administrator of the Agricultural Adjustment Administration, is Agricultural Commissioner.

Senate Continues Lend-Lease Bill Debate

The sessions of the Senate were devoted this week to debate of the lend-lease bill. Action in the House included passage of a naval base bill, the congressional reapportionment measure, and approval of the conference report on the debt limit bill. This latter bill, which provides a limit on the Federal debt of 65 billion dollars, was signed by the President on Wednesday.

Open meetings have been held during the last several days by the Temporary National Economic Committee for the purpose of receiving recommendations from the various government departments for inclusion in the Committee's final report. The receipt of recommendations from the Departments of Labor and Agriculture will conclude these meetings of the Committee.

Other Congressional committee action included hearings by the House Judiciary Committee on labor conditions and practices in defense industries, the taking of testimony by the House Banking and Currency Committee on defense housing insurance, and hearings by the House Military Affairs Committee on the subject of defense contracts. The Senate Appropriations Committee approved a deficiency appropriation of \$395,000,000 for Federal relief activities during the remainder of the current fiscal year.

At the request of the American Bar Association, Senators Hatch and Van Nuys have introduced a modified version of the Walter-Logan administrative procedure bill. This bill will be considered by the Judiciary Committee along with bills previously introduced that embody the majority and minority recommendations of the Attorney General's Committee on Administrative Procedure. Hearings on these bills will commence March 31 before a Senate Judiciary subcommittee.

Monograph on Food Industries Released

The Temporary National Economic Committee released this week Monograph No. 35, "Large-Scale Organization in the Food Industries." The monograph was prepared by Dr. A. C. Hoffman of the Bureau of Agricultural Economics and is based on investigations made by the Federal Trade Commission, the Bureau of Agricultural Economics, and other government agencies.

The study concludes that large-scale organization in the food industries is to be explained mainly in terms of technological changes and requirements, and that mass distribution is as inherently a part of our modern economy as mass production in industry. Bargaining advantages of large concerns and a non-economic drive for business power have also played a part, but the writer believes they are not the primary stimuli. On the whole, mass distribution of food products appears to have led to increased efficiency in the sense that less labor and capital are needed to move commodities from producer to consumer. Should monopolistic tendencies develop to the point where public intervention is warranted, the writer believes that such intervention should take the form of public regulation and control rather than dissolution of large-scale food concerns.

Copies of Monograph No. 35 may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C., at twenty cents each.

Stocks and Shipments of Canned Tomatoes

Shipments of canned tomatoes during the period July 1 to February 1 were 1,691,310 cases larger in 1940-41 than in 1939-40, according to figures compiled by the Association's Division of Statistics. Shipments during these months amounted to 16,116,575 in 1940-41, and 14,435,265 cases in 1939-40. Stocks on February 1, 1941, were nearly 2,000,000 cases larger; amounting to 12,098,325 cases, as compared with 10,145,398 cases on February 1, 1940. Shipments during January 1941 were only 229,587 cases larger than during January 1940.

The following tables give total figures on stocks and shipments by regions:

	Stocks February 1		Shipments during January	
	1940	1941	1940	1941
	Cases	Cases	Cases	Cases
Northeast.....	831,090	485,155	112,250	53,006
Mid-Atlantic.....	3,297,548	2,971,859	460,952	608,094
Mid-West.....	3,379,815	2,410,497	344,291	360,180
Tenn.-Ky.....	126,244	329,780	11,878	15,494
Ozark Ter.....	808,661	2,335,296	58,341	85,845
Western*.....	526,001	709,378	42,649	70,158
California:				
Regular.....	1,035,505	2,441,101	321,400	338,783
Italian.....	202,306	345,371	54,651	76,394
Southern.....	38,108	69,888	7,818	34,423
Total U. S.....	10,145,398	12,098,325	1,414,299	1,643,886

* California not included with Western.

	Shipments July 1 to February 1	
	1939-40	1940-41
	Cases	Cases
Northeast.....	626,424	525,189
Mid-Atlantic.....	5,564,311	6,208,349
Mid-West.....	3,084,470	3,210,932
Tennessee-Kentucky.....	204,604	225,131
Ozark Territory.....	994,440	1,483,165
Western*.....	801,798	664,017
California:		
Regular.....	1,487,458	1,995,499
Italian.....	543,677	875,886
Southern.....	1,128,083	922,407
Total U. S.....	14,435,265	16,116,575

* California not included with Western.

Condition of Winter Truck Crops Reported

Winter rains persisting into early February again interrupted harvesting schedules and lowered the quality of maturing vegetables in California, Arizona, the Lower Rio Grande Valley of Texas, and South Florida, according to the Agricultural Marketing Service. Planting programs for spring and early summer crops in these areas have been upset and some curtailment of acreage may result.

In other areas of Texas and Florida and in the remainder of the Southern States, conditions are mostly favorable for the planting of spring truck crops. Frosts on February 9 and 10 reaching into South Texas and Central Florida caused little damage.

During the next few weeks new commodities will be added to the national diet. Asparagus, already starting to move from California, will soon be available in quantity. Louisiana strawberries will begin to reach northern markets early in March.

Fruit and Vegetable Market Competition

Carlot Shipments as Reported to the Agricultural Marketing Service by Common Carriers

Carlot shipments of all major fresh fruits and vegetables competing directly with canned foods shipped during the week of February 15, 1941, were larger than during the corresponding week of 1940, according to figures compiled by the Agricultural Marketing Service. The season total of shipments of green peas and miscellaneous vegetables were the only ones not larger than during the corresponding weeks of 1940.

The following table, compiled from statistics of the Agricultural Marketing Service, gives detailed comparisons of carlot shipments on certain dates of selected vegetables and fruits:

VEGETABLES	Week ending—		Season total to—	
	Feb. 15, 1940	Feb. 15, 1941	Feb. 15, 1940	Feb. 15, 1941
Beans, snap and lima.....	21	26	1,641	2,232
Tomatoes.....	239	366	2,305	3,594
Green peas.....	128	177	787	582
Spinach.....	267	371	2,521	2,740
Others:				
Domestic, competing directly...	2,039	2,210	28,094	26,486
Imports competing directly....	31	88	147	389
Imports competing indirectly...	102	98	2,051	1,791
FRUITS				
Citrus, domestic.....	4,425	4,661	74,457	74,716
Others, domestic.....	69	55	47,422	49,599

Stocks and Shipments of Canned Tomato Juice

Stocks of canned tomato juice on February 1, 1941, were somewhat larger than stocks on February 1, 1940, and shipments during the period August 1 to February 1 were considerably smaller in 1940-41 than during 1939-40, according to figures compiled by the Association's Division of Statistics.

The stocks on February 1, 1941, totalled 6,609,981 actual cases, compared with 6,363,490 cases on February 1, 1940. Shipments during the period August 1, 1940, to February 1, 1941, amounted to 5,668,358 cases, as compared with 7,111,074 cases shipped during the corresponding months of 1939-40.

The following table shows by can sizes the stocks of canned tomato juice in canners' hands on February 1, 1941:

Can name	Cans per case	February 1 stocks Cases
8Z Tall (including 8Z Short).....	48	113,363
No. 1 Picnic.....	48	165,488
No. 211 Cylinder.....	48	263,523
No. 300 (including all 300 cans from 407 to 412).....	48	746,332
No. 1 Tall.....	48	390,672
No. 303 Cylinder.....	24	880,295
No. 2.....	24	389,973
No. 2 Cylinder (including all 307 cans from 305 to 313).....	24	841,037
No. 3 Cylinder (including all 404 cans from 615 to 708).....	12	1,265,105
No. 10.....	6	773,522
Miscellaneous tin.....	..	501,787
Glass.....	..	278,584
Total.....		6,609,981

Stocks and Shipments of Green and Wax Beans

Stocks of both canned green and wax beans were smaller on February 1, 1941, than on February 1, 1940, according to figures compiled by the Association's Division of Statistics. Although shipments of green beans were larger during January 1941 than during January 1940, shipments of wax beans were smaller. Shipments of both green and wax beans

during the months July 1 to February 1, 1940-41, were larger than during the corresponding months of 1939-40.

Stocks and shipments by regions are shown in the following table for specified dates:

	Stocks February 1		Shipments during January		Shipments July 1 to Feb. 1	
	1940 Cases	1941 Cases	1940 Cases	1941 Cases	1939-40 Cases	1940-41 Cases
GREEN BEANS						
Northeast..	532,178	318,497	65,775	43,132	500,428	552,188
Middle Atlantic....	803,601	480,858	153,067	181,711	1,602,162	1,516,920
Mid-West....	724,372	387,336	98,779	131,822	1,106,014	988,873
Western....	820,226	956,241	108,201	283,021	1,108,798	1,858,699
Southern....	239,787	378,434	52,637	184,921	949,902	1,053,641
Total green....	3,120,164	2,530,369	478,459	824,607	5,357,304	5,970,321
WAX BEANS						
Northeast..	216,252	203,970	36,675	41,374	316,399	341,890
Middle Atlantic....	88,206	34,433	7,462	18,063	136,333	148,324
Mid-West....	377,166	139,934	61,399	52,188	309,330	473,000
Western....	56,260	53,448	47,805	812	70,363	59,055
Southern....	2,095	.....	148	.....	20,462	3,475
Total wax....	739,979	431,785	153,489	112,437	852,887	1,025,753

Stocks and Shipments of Canned Fresh Lima Beans

Shipments of canned fresh lima beans out of canners' hands during the three-month period, November-January, totaled 407,683 actual cases in 1940-41, as compared with 261,459 cases in 1939-40, according to figures compiled by the Association's Division of Statistics. Stocks of canned lima beans amounted to 964,205 cases on February 1, 1941, as compared with 1,179,552 cases on February 1, 1940.

The following table gives comparisons of stocks and shipments for specified periods:

Stocks:	Cases
February 1, 1941—	
Sold not shipped.....	410,854
Unsold.....	553,351
Total.....	964,205
November 1, 1940.....	1,371,888
February 1, 1940.....	1,179,552
Shipments:	
November-January, 1940-41.....	407,683
November-January, 1939-40.....	261,459
July 1 to February 1, 1940-41.....	1,400,800
July 1 to February 1, 1939-40.....	1,170,500

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